



DATE: July 9, 2004

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: 2004 Financial Statements - Operating Accounts for the
Period Ending June 30, 2004

RECOMMENDATION

THAT the Board receive this report for information.

POLICY

The Finance Committee at its meeting of July 12, 2004 reviewed the June 30, 2004 Financial Operating Statements and recommended the Board to receive this report for information.

BACKGROUND

Periodical financial statements are submitted to ensure the Board is kept fully informed of the current expenditures and revenues in relation to the approved budget appropriation.

DISCUSSION

As of June 30, 2004 the Park Board has spent \$24,928,000 of a total budget for 2004 of \$50,935,000 (see Appendix 1 for details). To date, 50% of the year has expired and 49% of the net budget has been expended. Staff have reviewed the operating budget and the results of this review are summarized as follows:

Revenues are currently 40% of budget, which is down from the 44% in June of 2003. Actual golf revenues are up as at June 2004 by \$276,000 over June 2003 but due to timing differences they are not reflected in these statements. In the Queen Elizabeth District revenues are down compared to last year, due to revenues from Heather Marina being received earlier in 2003. However, this is not expected to affect year end revenues, which are predicted to meet budget. As the Park Board business cycle peaks during the summer months, the lower than budget revenues are expected at this time of year. If the current trends continue, the Board can expect to realize budgeted revenues.

Gross expenses are currently 45% of budget, which is lower than last year (49% at this time in 2003), resulting in net expenditures at 49% of budget. Heather Marina expenses are also much lower than for the same period in 2003, as the payment to the City's Property Endowment Fund was made earlier in 2003, due to the early receipt of revenues mentioned previously. However, by year end expenses are forecast to be on budget. In 2004 the closure of Renfrew Pool and more recently Killarney Pool has resulted in salary, utility and supply cost savings, but also in reduced revenues in the Vancouver East Recreation area. As timing of expenditures accounts for the majority of the savings, there is no expectation that the lower level of expenditures will result in a savings at year end. Overall, net expenditures are projected to meet the budget by the end of the fiscal year.

SUMMARY

Staff recognize that the Board is committed to balancing the budget by the end of the fiscal year. These statements have been prepared to allow the Board to become familiar with the 2004 Operating budget at a detailed level. Reviews have taken place and close monitoring is ongoing. Where necessary, cost containment initiatives will be implemented.

The projection to year end is to have a balanced budget. This projection is based on the most current information available and represents a best estimate of the Park Board's financial position to December 31, 2004.

Prepared by:

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AH